



GROUP OF FIFTEEN
Summit Level Group of Developing Countries

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THIRTY-FIRST MEETING OF THE MINISTERS OF FOREIGN AFFAIRS
OF THE GROUP OF FIFTEEN

24 September 2009, New York

Report of the Chairman of the 96th Meeting of the Personal Representatives of the Group of Fifteen

My report covers the preoccupations of the Personal Representatives of Heads of State and Government of the Group of Fifteen (PRs) in their meetings as well as other activities of the Group beginning from the assumption of the Chairmanship of the Group by the Islamic Republic of Iran at the conclusion of the 13th Summit in 2006 in Havana up to the 96th Meeting of the Personal Representatives held on 18 September 2009 in Geneva. These include follow-up actions on the implementation of decisions and mandates arising from recent Summits of Heads of State and Government as well as Meetings of Foreign Ministers; ongoing activities as well as matters relating to the management of the Group's affairs.

I. Organization of a High Level Meeting on Water Resources Management and Rural and Agricultural Development

I wish to report that in furtherance of the mandate given by the Havana Summit of 2006 and in accordance with the programmes and priorities outlined by the Government of the Islamic Republic of Iran as a run up to the 14th Summit, a high level Meeting on "*Water Resources Management and Rural and Agricultural Development*" was held in Tehran in September 2007. The main purpose of the Meeting was to explore the possibility of establishing a G-15 mechanism or clearinghouse for the exchange of experiences on rural and agricultural development and the management of water resources aimed at enhancing good practices and information sharing among member countries. Participants, who were present from the majority of G-15 countries, made a number of recommendations on capacity building and networking; the establishment of a Water Council and Water Fund; Integrated Water Resources Management (IWRM); and Agriculture and Rural Development best practices. The proceedings of the Meeting were enriched by the presentation of Country Reports on water resources management and agricultural and rural development as implemented by each country, a brief background of respective country positions on water resources management and views and visions on the thematic issues as a means of facilitating IWRM approaches through collaboration between member countries. The main benefit of the Meeting was that it provided a forum for sharing

experiences on water resources management and rural and agricultural development that could facilitate the implementation of good practices in these critical economic sectors within G-15 member countries.

II. Progress Report on the implementation of the decisions and mandates of the Group and other initiatives and activities

(a) Resolved issues and ongoing activities

(i) Streamlining the criteria for G-15 project selection and implementation: The 29th Meeting of Foreign Ministers held in September 2007 had considered the performance of G-15 Projects and called for a reflection on further measures to make projects more successful. Personal Representatives subsequently carried out an extensive exercise to revamp the implementation and performance of G-15 Collaborative Projects. To this end, Personal Representatives worked on Suggested Guidelines for the Selection and Implementation of G-15 Collaborative Projects which they subsequently forwarded to the the Foreign Ministers for approval. These recommendations were accepted, with modifications, by Foreign Ministers at their 30th Meeting that took place in September 2008. The new guidelines emphasize, among other things, the importance of a feasibility study to justify the project's viability as well as the primary responsibility of the participating countries for ensuring the successful and expeditious implementation and follow-up of approved projects. It is hoped that these guidelines would ensure the success of a new round of projects and mark a turning point in the Group's efforts to launch credible and sustainable cooperation projects that would bring practical benefits to the peoples of G-15 member countries, while increasing the Group's visibility at the same time.

(ii) G-15 Federation of Chambers of Commerce, Industry and Services (FCCIS): Personal Representatives also considered a request by the FCCIS that it be allowed to convene its meeting on the flanks of G-15 Summits. The body had reported that its activities had suffered in recent years from the increasing inability of some members of the Federation to participate in FCCIS meetings unless they were part of a larger government delegation attending Summit Meetings. After careful consideration, Personal Representatives agreed to recommend to the 2008 Meeting of the Foreign Ministers that the new arrangement sought by the FCCIS could bring added value by attracting more attention to the activities of the G-15, while at the same time contributing to the strengthening of the political will of member states to further promote their economic and business relations. Foreign Ministers therefore approved the recommendation of the PRs.

I wish to further inform Your Excellencies that the FCCIS held its 15th Annual Meeting in New Delhi from 18-24 October 2008 under the theme "World Commodity Prices Development and the need to enhance cooperation in Trade and Investment within the G-15 countries." I invite Ministers to take note of these laudable efforts of the FCCIS, which is an independent private sector body of the G-15.

(iii) Activities of the Technical Support Facility (TSF) of the G-15: I also wish to commend the efforts of the Technical Support Facility, which, apart from servicing the various formal meetings of the Group and managing its day-to-day-operations, has been publishing a bi-annual Working Paper series on topics of economic interest to developing countries. Since January 2007, six working papers have been published on a diverse range of topics such as International Trade, Bank of the South, Poverty Alleviation, the Digital Divide, International Migration and the Current Financial Crisis. The TSF is

also responsible for maintaining the Group's website (www.g15.org) and has been web casting monthly bulletins of important developments relating to mutual economic cooperation among the G-15 countries. These efforts have contributed to maintaining the international visibility of the Group as well as enriching ongoing debates on these topical economic issues.

(b) Pending Initiatives of the Group

I shall now present a brief report on the status of some initiatives of the Group that are under consideration.. These are (i) the establishment of a G-15 Africa Cooperation Fund; (ii) the activation of the G-15 Working Groups on Water Resources Management and Agriculture and Rural Development; and (iii) the launch of a new G-15 project on Renewable Energies.

(i) The G-15 Africa Cooperation Fund: The issue of working out modalities for establishing a development fund for Africa has been pending with the Group for some time. It will be recalled that in the 30th Meeting of Foreign Ministers held last year, Personal Representatives had reported an absence of group-wide consensus on whether to work on the original intention to establish an autonomous conventional fund or to subsume assistance to Africa under already existing bilateral and inter-regional initiatives of technical cooperation in support of Africa. Ministers had made a number of suggestions in this regard. These included the suggestions that the Group could follow the example of the Perez-Guerrero Trust Fund, and launch the Africa Fund with a small amount of financial capital; in case the Group has difficulties in financing a new Fund, member countries that have bilateral economic agreements with African countries should be encouraged to deepen them. Progress in this area is yet to be made.

Personal Representatives, after deliberating on the issue, have recommended that more time should be given to enable them hold further consultations with a view to resolving the differences between members.

(ii) G-15 Working Groups on Water Resources Management and Agriculture and Rural Development: It will be recalled that Personal Representatives had recommended certain modalities for activating the proposed G-15 Working Groups on Water Resources Management and Agriculture and Rural Development based on the suggestions made in the High Level Meeting on Water Resources Management and Agriculture and Rural Development held on 2-4 September 2007 in Tehran. Foreign Ministers, in their 30th Meeting, had approved the recommended Modalities with a view to activating both Working Groups, after making suitable modifications regarding the scope and focus of the Working Groups. The government of the Islamic Republic of Iran reiterated its commitment to the initiative and undertook to conduct an internal review and to later put forward suggestions as to how the Working Groups could be activated by Member States.

(iii) The proposed G-15 project on Renewable Energies: In 2007, the Islamic Republic of Iran presented to member countries for consideration new project proposals in the areas of Renewable Energy, Environment, Bio Banks and Water Management, all areas of relevance and interest for South-South technical cooperation. In welcoming these project proposals, the overwhelming majority of PRs expressed their countries' preference for projects in the areas of water management and renewable energy and called for the submission of detailed information in this regard. To this end, the Islamic Republic of Iran circulated to member countries a preliminary project proposal on a Cooperation

Framework amongst G-15 Countries for the Development of Renewable Energies for launching by the time of the 14th Summit. The government of the Islamic Republic of Iran reiterated its commitment to the proposed project and undertook to conduct an internal review of the situation and to later put forward suggestions as to how member countries could proceed with the proposed G-15 project on renewable energies.

III. Preparations for the 15th Summit

As Your Excellencies may be aware, efforts to find a host for the 15th Summit had begun since the last Summit in Havana in September 2006. By convention, the Group was obliged to start the search for a possible host country for the 15th Summit from among the remaining Latin American and Caribbean member countries of the Group. As this effort yielded no result, it was decided to extend the search to other member countries outside the Latin America and Caribbean region.

It is therefore a matter of great pleasure that the Democratic Socialist Republic of Sri Lanka offered to assume the Chairmanship of the Group in succession to the Islamic Republic of Iran. This welcome development brings our long search for a possible host country for the 15th Summit of the Group to a happy conclusion. In light of this positive development, Foreign Ministers may wish to commend the Government of the Democratic Socialist Republic of Sri Lanka for its generous gesture.

A related matter on Sri Lanka's assumption of the next Chairmanship of the Group is the composition of the Troika Board of Supervisors, which as a matter of procedure and practice, is usually composed of the previous, the current and next Chairman of the Group. If this formula is to be followed strictly in the imminent circumstance, it would turn out that the next Troika would be composed of Algeria, Iran and Sri Lanka and with no representation for the Latin America/Caribbean region. As such a development would disrupt the Group's principle of one representation on the Troika for each of the three geographical regions of the Group, i.e., Africa, Asia and Latin America/Caribbean countries, Personal Representatives recommended to this Meeting that, as a provisional arrangement, member countries from the Latin America/Caribbean region should hold informal consultations with a view to designating a country to represent them on the Troika, in addition to the three traditional members(i.e. last, present and next Chairman). It was, however understood that the choice of a country made will not carry with it any obligation to host a Summit. I therefore invite Your Excellencies to favourably consider this recommendation.

With respect to documentation for the Summit, the PRs reviewed and finalized the Provisional Agenda of the 31st Meeting of the Ministers of Foreign Affairs and the Indicative Provisional Agenda for the 14th Summit. The PRs also considered the preliminary Draft Joint Communiqué of the 14th Summit originally submitted by the Government of the Islamic Republic of Iran and as modified by G-15 experts, and made several useful suggestions in order to submit to this meeting a draft that enjoys a large measure of consensus, except for the 2 paragraphs that have square brackets, in part or whole. To be more specific, the paragraphs in square brackets are as follows:

Para. 33: The aspect dealing with intellectual property rights, on making a reference to time-bound negotiations leading to the adoption of an international legal instrument for the protection of Genetic Resources, Traditional Knowledge and Folklore;

Para. 50: Dealing with the Palestinian question for which there was no consensus on either of the two alternative formulations, namely the original paragraph in the Draft Joint Communiqué and the alternative proposed by Brazil.

After fruitless efforts at reconciliation, the PRs agreed that these two outstanding issues, retained *ad referendum* in Revision 6 of the Draft Joint Communiqué, be forwarded to the Meeting of Foreign Ministers for further consideration and resolution in order to submit an agreed and consensus Draft Joint Communiqué to the Heads of State and Government for consideration.

While considering the Summit's Draft Joint Communiqué, Personal Representatives reflected on the fact that the year 2009 marks the 20th anniversary of the founding of the Group. They therefore considered it an opportune moment to reflect on the progress made so far by the Group. It was observed that while some progress had been recorded, the Group had nonetheless experienced some difficulties. Personal Representatives therefore decided to recommend that the Democratic Socialist Republic of Sri Lanka, as the incoming Chairman of the Group, be invited to establish a high-level taskforce consisting of Senior Officials/Personal Representatives to undertake a thorough and fair assessment of the progress and prospects of the Group and provide action-oriented recommendations on the revitalization of the Group to be reported at the 32nd Meeting of the Ministers of Foreign Affairs. A paragraph to this effect has been inserted in the Draft Joint Communiqué of the 14th Summit.

IV. Financial Matters of the Group

(a) Financial Report of the Group for the year 2008

I wish to invite Honourable Ministers to formally take note of the Financial Report of the Group for the year 2008 prepared by the official Auditors (Document **G-15/09/AUD**). The Report, indicating the financial position of the Group as at 31 December 2008, is in order and considered satisfactory.

(b) Draft proposed Budget for 2010

I wish to draw the attention of Honourable Ministers to the Proposed Budget of the Group for the Year 2010 contained in Document **G-15/09/FM31/5**. The Personal Representatives reviewed the initial proposed estimates prepared under my supervision, which are based on the streamlined figures for the 2009 approved Budget for practically all items with the assumption of a modest rise on a few items to allow for inflation as well as exchange rate variations. I wish to highlight that the proposed estimates are within the range of the approved budgets for the last five years.

Personal Representatives have recommended that as in recent past, the Proposed Budget should be financed using a mix of the prevailing country contributions of US\$ 25,000 per member country, income from investments as well as part of the past budgetary savings and potential recoverable arrears. Taking into account the foregoing considerations, I invite Ministers to favourably consider and approve, under Agenda Item 5(b), the Proposed Budget for 2010, amounting to US\$ 1,208,659, along with its financing option, as recommended by the Personal Representatives.

Furthermore on financial matters, it is important to draw the attention of Ministers to the Current Status of Financial Contributions and to urge Ministers to appeal to member countries in arrears of contributions to the Group to take timely action to settle them. This, I should stress, is important in ensuring the smooth operations of the Group.

V. Withdrawal of Colombia and Peru from the membership of the Group.

Following the withdrawal of Columbia from the membership of the Group in 2006, Foreign Ministers, had at their 28th Meeting, asked the Personal Representatives of the Troika countries to contact the Government of Colombia and convey the general sentiment that the Group looks forward to a time when this country can overcome its present difficulties and rejoin the G-15. The Troika was also mandated to examine with Colombia the implications of this decision on the financial situation of the Group. Accordingly, the Personal Representative of the Islamic Republic of Iran, as Chairman of the Troika PRs, met with the Ambassador of Colombia in Geneva and submitted a letter addressed to the Foreign Minister of Colombia conveying this sentiment and enquiring of the country's position with respect to the settlement of its arrears to the Group, amounting to US\$ 350,000, a debt which had been kept in abeyance for the time being. I invite Ministers to note the action taken, for which the Group is yet to receive any response from the Colombian government.

Your Excellencies may be aware that in December 2008 the Government of Peru also communicated its decision to withdraw from the membership of the Group of Fifteen. In his letter dated 30 December 2008 addressed to the Foreign Minister of the Islamic Republic of Iran in his capacity as Chairman of the Group, the Peruvian Foreign Minister attributed his country's withdrawal to financial difficulties and the need to implement austerity measures regarding Peru's participation in international organizations. Personal Representatives gave serious consideration to this unfortunate development, akin to that of Colombia in 2006, and the implication of this development on the country's outstanding contributions amounting to US \$267,911. In this regard, Personal Representatives have recommended to this Meeting that, in line with the precedent established in the case of Colombia, Personal Representatives of the Troika countries be asked to convey the Group's sentiments in an appropriate letter addressed to the Foreign Minister of Peru and to raise the issue of how the government of Peru intends to settle its outstanding financial contributions to the Group. I therefore invite Your Excellencies to favourably consider this recommendation.

In conclusion, I wish to place on record my appreciation for the support and cooperation that Personal Representatives of all G-15 member countries in Geneva have given my government and me over the past three years and hope that they extend the same courtesies and support to the Personal Representative of Sri Lanka, my worthy successor.

I thank Your Excellencies for your kind attention.
